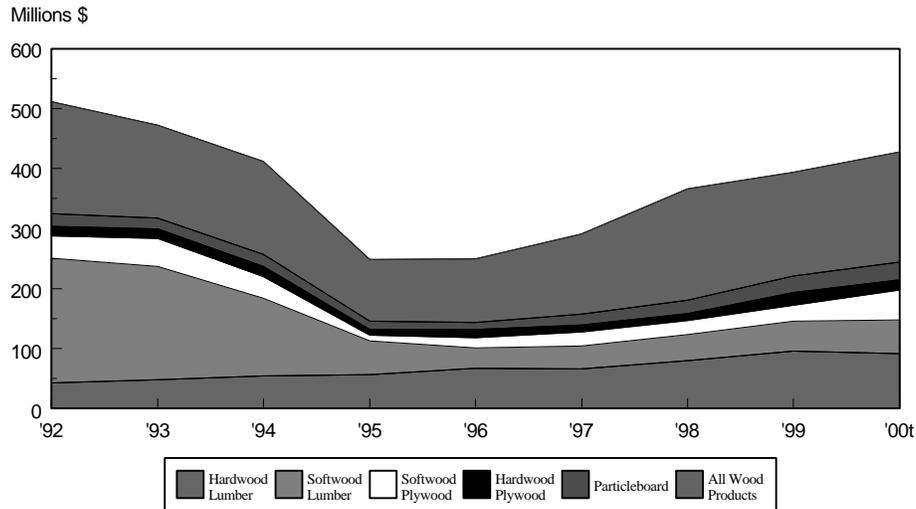


Mexico



Total Exports in 1999: \$395 million



Mexico Tariff Schedule for U.S. products:

Item	HS	2000 MFN	2000 Applied Rate**	Bound Rate	Year of Tariff Elimination
Softwood Logs	4403.2	13%	3%	35%	2003
Hardwood Logs	4403.9	13%	0%	35%	1998
Softwood Lumber*	4407.10	13%-18%	3%-4.5%	35%	2003 duty free if under quota
Hardwood Lumber	4407.9	13-19%	0%-4.5%	35%	2003 duty free if under quota
Veneer	4408	18%	0%	35%	1998
Moulding & Flooring	4409	13%-23%	0%	35%	1998
Particleboard & OSB	4410	18%-23%	4.5%-6%	35%	2003
Fiberboard	4411	18%	0%	35%	1998
Plywood	4412	18%-23%	4.5%-6%	35%	2003

*Softwood lumber to be used exclusively in wood frame construction and carrying grade marks of one of the grading agencies accredited by the ALSA enters duty free.

**U.S. rate under NAFTA

Mexico



Tariff Rate Quotas:

HS Number	Item	Quota (metric tons)
4401.21.01	Pine wood chips	66,500
4403.10.01	Wood treated with paint	14,250
4407.10.01	Softwood planks	9,500
4407.10.02	Pine planks	119,700
4407.10.03	Small boards, for pencils	950
4407.91.01	Oak planks	3,325
4407.99.99	Other planks	2,470

Trends and Recent Developments

- Mexico has a draft proposal designed to limit the number of ports through which plywood can enter the country. This is an attempt by Mexico to exert greater control over plywood imports. A final decision on the implementation of this rule is pending.
- On October 1, 2000, Mexico began requiring companies shipping panel products to Mexico to make a cash deposit equal to the difference in the duties between the invoice value (including transportation costs and broker's fees) and the value of the shipment based on the predetermined "estimated" price until such time as the invoice value is verified. This regulation is designed to supposedly combat under invoicing. U.S. exporters are reporting that the predetermined "estimated" prices are significantly higher than the actual prices, and are disrupting trade.
- On June 11, 1998 the GOM published a proposed regulation (NOM-017-RECNAT-1997) requiring all used lumber and veneer products in the border zone (a 20 mile strip along the United States border) be certified as originating from an area free of the pests of concern. The United States Government subsequently submitted comments through the Food Safety and Technical Services Division in ITP and the United States Embassy in Mexico City pointing out that a phytosanitary certificate confirms that the commodity has been inspected and is considered to be free from quarantine pests. As a result, the GOM has not acted on this proposed regulation. The Ministry of the Environment, Natural Resources and Fisheries has indicated that the NOM will be reopened for comments if there are detections of the powder post beetle in shipments.

Mexico



- On July 21, 1997, the Government of Mexico (GOM) published a proposed regulation (NOM-014-RECNAT-1997) that would have required treatment of wood pallets and containers entering Mexico to insure they were pest free. Products affected by this proposed regulation include new AND USED wood pallets, crates, boxes, and other wooden packing material. The regulation was subsequently modified to allow for visual inspection. The Ministry of the Environment, Natural Resources and Fisheries has indicated that the NOM will be reopened for comments if there are detections of the powder post beetle.
- Mexico has eliminated a program requiring the sampling of all plywood shipments entering Mexico, which was intended to reduce the amount of plywood being “illegally” transshipped through the United States. The regulation resulted in long delays for U.S. shipments.